

**REQUEST FOR PUBLIC COMMENTS
ON DRAFT AIR PERMITS
REGULATING THE EMISSIONS OF AIR POLLUTANTS**

(Docket No. 08-CA-PA-12)

Pursuant to Hawaii Revised Statutes (HRS), Chapter 342B-13 and Hawaii Administrative Rules (HAR), Chapter 11-60.1, the Department of Health, State of Hawaii (DOH), is requesting public comments on the **DRAFT PERMITS** presently under review for:

Covered Source Permit (CSP) No. 0307-02-C

Application for Modification No. 0307-05

Aloha Petroleum, Ltd.

**Two (2) 10,000 bbl Internal Floating Roof Storage Tanks,
Three (3) External Floating Roof Storage Tanks with Geodesic Domes and
One (1) Tank Truck Load Rack**

Located at: Hilo Sales Terminal, 999 Kalanianaʻole Avenue, Hilo, Hawaii

Covered Source Permit (CSP) No. 0382-02-C

Significant Modification Application No. 0382-06

Mid Pac Petroleum, LLC

Kawaihae Petroleum Bulk Loading Terminal

Located at: 61-3651 Kawaihae Road, Kawaihae, Hawaii

Covered Source Permit (CSP) No. 0677-01-CT

Initial Application No. 0677-01

Grace Pacific Corporation

300 TPH Hot Mix Asphalt Drum Plant

Located at: Waikoloa, Kona, Island of Hawaii

The **DRAFT PERMITS** are described as follows:

Covered Source Permit No. 0307-02-C would grant conditional approval to operate petroleum fuel distribution terminal at the applicants Hilo Sales Terminal. Emission sources covered by this permit include two internal floating roof storage tanks, three external floating roof storage tanks, and one tank truck load rack.

For this modification, the applicant is proposing to increase the facility throughput of gasoline and ethanol from the current limit of 668,578 barrels per rolling 12-month period to 857,683 barrels per rolling 12-month period. The proposed increase in throughput will result in a net increase of 32 tons per year of VOC at the facility. The potential emissions for the facility will be 129 tons per year of VOC and the facility will be a major source for VOCs. The applicant is not proposing any other changes to their emission sources and the means and methods of operation will remain unchanged.

The two internal floating roof tanks covered under this permit are subject to the federal Standards of Performance for New Stationary Sources, Title 40 CFR, Part 60, Subpart Kb.

The draft permit incorporates the requirements of NSP No. 0322-01-N into CSP No. 0307-02-C. NSP No. 0322-01-N is the current operating permit for the three external floating roof storage tanks and the tank truck load rack. The draft permit, if approved, will supersede the two current operating permits in their entirety and NSP No. 0322-01-N will be closed.

The proposed modification to **CSP No. 0382-02-C** revises the Petroleum Truck Loading Rack and Petroleum Barge Loading Headers section and Insignificant Activities section of the permit by allowing the offloading, storage, and loading of jet fuel. In addition, the throughput limits for the petroleum truck loading rack and petroleum barge loading headers were both increased to 728,000 barrels of diesel no. 2 and jet fuel combined per rolling 12-month period. The proposed modification will result in the following emissions:

Pollutant	Pre-Project 2004-2005 Actual Emissions (tons/yr)	Post-Project Potential Emissions (tons/yr)	Net Emissions Change (tons/yr)	Significant Level (tons/yr)
VOC	31.25	58.18	26.93	40

The proposed new Hot Mix Asphalt (HMA) Facility, **CSP No. 0677-01-CT**, will be located at the Waikoloa Quarry north of Kona, Big Island, Hawaii. Grace Pacific will be moving a diesel engine generator and two 150 ton silos to the new facility from its existing south Kona facility. Upon completion of the new facility, Grace Pacific intends to close its south Kona facility. The new facility will be a non-major covered source subject to NSPS 40 CFR Subpart I: Standards of Performance for Hot Mix Asphalt Facilities. Key facility equipment includes a diesel-fired hot mix asphalt drum plant, a diesel engine generator, and a diesel-fired hot oil heater. The proposed facility will limit HMA production to 315,360 tons per year. In lieu of equipment operating hour restrictions, total facility fuel usage is proposed to be limited to 944,491 gallons per year of diesel fuel (0.05% sulfur or less) or approved alternate fuel.

The **ADMINISTRATIVE RECORDS**, consisting of the **APPLICATIONS** and non-confidential supporting materials from the applicant, the permit review summaries, and the **DRAFT PERMITS**, are available for public inspection during regular office hours, Monday through Friday, 7:45 a.m. to 4:15 p.m., at the following locations:

Oahu:

- Clean Air Branch, Department of Health
919 Ala Moana Boulevard, Room 203, Honolulu, Oahu

Hawaii:

- Hawaii District Health Office, Department of Health
1582 Kamehameha Avenue, Hilo, Hawaii
- Sanitation Branch, Keakealani Building, Department of Health
79-1020 Haukapila Street, Room 115, Kealahou, Hawaii

All comments on the draft permits and any request for a public hearing must be in writing, addressed to the Clean Air Branch at the above address on Oahu and must be postmarked or received by July 16, 2008.

Any person may request a public hearing by submitting a written request that explains the party's interest and the reasons why a hearing is warranted. At the sole discretion of the Director of Health, DOH may hold a public hearing if a hearing would aid in DOH's decision. If a public hearing is warranted, a public notice for the hearing will be published at least thirty days in advance of the hearing.

Interested persons may obtain copies of the administrative record or parts thereof by paying **five cents per page copying costs**. Please send written requests to the Oahu office of the Clean Air Branch listed above or call Mr. Stuart Shoji (CSP No. 0307-02-C), Mr. Darin Lum (CSP No. 0382-02-C), or Mr. Philip Robins (CSP No. 0677-01-CT), at the Clean Air Branch in Honolulu at (808) 586-4200.

Comments on the draft permits should address, but need not be limited to, the permit conditions and the facility's compliance with federal and state air pollution laws, including: (1) the National and State Ambient Air Quality Standards; and (2) HRS, Chapter 342B and HAR, Chapter 11-60.1.

DOH will make a final decision on the permits after considering all comments and will send notice of the final decision to each person who has submitted comments or requested such notice.

Chiyo Leinaala Fukino, M.D.
Director of Health

Posted by: June 16, 2008